



**MONTANA-DAKOTA**

**UTILITIES CO.**

*A Division of MDU Resources Group, Inc.*

400 North Fourth Street

Bismarck, ND 58501

(701) 222-7900

June 13, 2011

Executive Secretary  
North Dakota Public Service Commission  
State Capitol Building  
Bismarck, ND 58505-0480

Re: Case No. PU-11-\_\_\_\_\_  
2011-2012 Avoided Cost Updates

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group Inc., herewith requests Commission approval to revise its Occasional Power Purchase Non-Time Differentiated Rate 95 and Parallel Generation Peaking Facility Purchase Rate 96. This filing is made in compliance with the Order in Case No. 10,000 and in accordance with the Cogeneration and Small Power Producer Rules, Section 69-09-07-09 of the North Dakota Administrative Code.

The methodology used to develop the proposed energy and capacity payments is consistent with the approved avoided cost rate tariffs. The proposed energy payments for Rates 95 and 96 were generated using Montana-Dakota's production costing model (ProSym), updated to reflect a test year of July 2011 through June 2012. The proposed energy payments under Rates 95 and 96 reflect an increase in the energy payment per Kwh attributable to the higher Midwest Independent System Operator (MISO) market prices than those included in the currently approved energy payments. Montana-Dakota used the new peaking facility approach to calculate the proposed capacity payments.

Montana-Dakota has reinstated the time of day provision with respect to energy payments applicable to Rate 96. The proposed capacity payments for Rate 96 are the projected levelized cost of a new peaking facility. The avoided cost was based on the estimated cost of a gas turbine at \$857/KW in 2010 dollars, as used in the 2011 IRP submitted on May 12, 2011 in Case No. PU-11-158. The data used to support the proposed energy and capacity payments is included as Attachment A.

Montana-Dakota has reviewed the metering charges applicable under Rates 95 and 96 and has determined no changes in the monthly charge are necessary in this annual update.

Included herein is a second set of the affected tariffs on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed. Montana-Dakota has removed the reference to interim rates in Case No. PU-10-124 in this filing.

A report of tariff change reflecting Commission data requirements regarding filings is also attached hereto. Montana-Dakota has two customer currently served on Rate 95. A monthly history of the energy purchased under Rate 95 is included as Attachment B.

Montana-Dakota respectfully requests that the rate schedules set forth herein be approved within 30 days of this filing.

Please refer all inquiries regarding this filing to:

Ms. Tamie A. Aberle  
Regulatory Affairs Manager  
Montana-Dakota Utilities Co.  
400 North Fourth Street  
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence, and pleadings to:

Mr. Daniel S. Kuntz  
Associate General Counsel  
MDU Resources Group, Inc.  
P. O. Box 5650  
Bismarck, ND 58506-5650

The original and seven (7) copies of this Letter of Transmittal and tariffs have been provided to the North Dakota Public Service Commission.

Montana-Dakota submitted a check for the amount of \$600 in accordance with North Dakota Century Code Section 49-05-05 on December 9, 2010. This payment will cover the filing fee associated with this.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Tamie A. Aberle  
Regulatory Affairs Manager

Attachments  
cc: D. Kuntz



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
9<sup>th</sup> Revised Sheet No. 44  
Canceling 8<sup>th</sup> Revised Sheet No. 44

### OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 2

#### Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating occasional electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 100 Kw or less, that are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

#### Rate:

Metering charge for single phase service: \$ 1.60 per month  
With instrument transformers: \$ 3.50 per month

Metering charge for three phase service: \$ 3.80 per month  
With instrument transformers: \$ 6.60 per month

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = 2.873¢ per Kwh

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

Date Filed: June 13, 2011

Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

8<sup>th</sup> Revised Sheet No. 44.1

Canceling 7<sup>th</sup> Revised Sheet No. 44.1

### OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 2

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh an amount equal to:  
2.873¢ per Kwh

#### General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
3. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
4. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be at least one year but less than five years.
5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.
6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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Effective Date:

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Case No.:



# Montana-Dakota Utilities Co.

*A Division of MDU Resources Group, Inc.*

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
1<sup>st</sup> Revised Sheet No. 44.2  
Canceling Original Sheet No. 44.2

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Reserved for future use

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**Date Filed:** June 13, 2011

**Effective Date:**

**Issued By:** Tamie A. Aberle  
Regulatory Affairs Manager

**Case No.:**



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
9<sup>th</sup> Revised Sheet No. 45  
Canceling 8<sup>th</sup> Revised Sheet No. 45

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 4

#### Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 1000 Kw or less, that operate as a peaking facility (defined below), and are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

#### I. FACILITIES CAPABLE OF PROVIDING DISPATCHABLE CAPACITY AT THE TIME OF COMPANY'S SUMMER PEAK

#### Rate:

Metering charge for single phase service: \$ 5.20 per month  
With instrument transformers: \$ 7.10 per month

Metering charge for three phase service: \$ 5.70 per month  
With instrument transformers: \$ 8.50 per month

#### 1. Capacity delivered to the Company:

QF has the option of one of two methods of payment for capacity:

- Actual avoided costs at the time of delivery, or
- Levelized payment for term of contract based on Table 1 below.

TABLE 1  
Contract Length (YR.)

	5	10	15	20	25	30	35
\$/Kw-mo	10.417	11.113	11.784	12.423	13.024	13.582	14.096

Total capacity payment per month = The applicable contract length capacity payment from Table 1 times the maximum 1 hour capacity, as demonstrated by an annual capability test.

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Case No.:



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

10<sup>th</sup> Revised Sheet No. 45.1

Canceling 9<sup>th</sup> Revised Sheet No. 45.1

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 4

#### 2. Energy Payment:

##### ON-PEAK

2.944¢ per Kwh

##### OFF-PEAK

2.856¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

#### II. FACILITIES WHICH ARE NOT DISPATCHABLE AND PROVIDE ENERGY AND CAPACITY ON AN "AS AVAILABLE" BASIS

##### Rate:

Metering charge for single phase service: \$ 5.20 per month  
With instrument transformers: \$ 7.10 per month

Metering charge for three phase service: \$ 5.70 per month  
With instrument transformers: \$ 8.50 per month

1. Total capacity payment per billing period = P X Maximum 15 minute capacity for billing period, where P is defined below.

$$P = QCF/PCF(VTable 1)$$

where: P = capacity payment in \$/Kw - month  
QCF = Qualifying Facilities Capacity Factor  
PCF = Projected Capacity Factor of the facility to be avoided  
VTable 1 = Applicable value from Table 1  
CF = Capacity Factor which equals average 15 minute on-peak metered capacity divided by the greatest 15 minute on-peak metered capacity during the billing period.

QCF/PCF cannot be greater than 1.

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Case No.:



# Montana-Dakota Utilities Co.

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400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

8<sup>th</sup> Revised Sheet No. 45.2

Canceling 7<sup>th</sup> Revised Sheet No. 45.2

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 3 of 4

#### 2. Energy Payment:

ON-PEAK

2.944¢ per Kwh

OFF-PEAK

2.856¢ per Kwh

#### Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

#### General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. Service under this schedule shall be on a simultaneous purchase and sale basis only.
3. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
4. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
5. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be five years or more.
6. Line loss considerations will be determined on a site specific basis.
7. For dispatchable units, generator outages must be pre-scheduled with Company to provide coordination with Company units.

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Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:





# Montana-Dakota Utilities Co.

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400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4

2<sup>nd</sup> Revised Sheet No. 45.3

Canceling 1<sup>st</sup> Revised Sheet No. 45.3

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

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Page 4 of 4

8. A Peaking Unit is a unit not designed for continuous operation and is capable of supplying capacity and energy during periods of peak electric consumption. Generally, peaking units have a capacity factor of 20% or less.
9. For general terms and conditions covering QF's, see Rate 140.
10. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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**Date Filed:** June 13, 2011

**Effective Date:**

**Issued By:** Tamie A. Aberle  
Regulatory Affairs Manager

**Case No.:**

## Tariffs Reflecting Proposed Changes



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
8<sup>th</sup> Revised Sheet No. 44  
Canceling 7<sup>th</sup> Revised Sheet No. 44

### OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 3

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With instrument transformers: \$ 3.50 per month

Metering charge for three phase service: \$ 3.80 per month  
With instrument transformers: \$ 6.60 per month

~~Interim Rate Increase: 7.91% of amount billed under metering charge.~~

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

#### 1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = 2.4942873¢ per Kwh

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:



# Montana-Dakota Utilities Co.

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400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

7<sup>th</sup> Revised Sheet No. 44.1

Canceling 6<sup>th</sup> Revised Sheet No. 44.1

### OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 3

#### 2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh an amount equal to:

2.494 2.873¢ per Kwh

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5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.

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Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:



# Montana-Dakota Utilities Co.

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400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

---

NDPSC Volume 4  
Original Sheet No. 44.2

### **OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED**

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Page 3 of 3

6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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8<sup>th</sup> Revised Sheet No. 45  
Canceling 7<sup>th</sup> Revised Sheet No. 45

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 4

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Interim Rate Increase: ~~7.91% of amount billed under metering charge.~~

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TABLE 1  
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\$/Kw-mo	<u>10.417</u> 1.789	<u>11.113</u> 5.849	<u>11.784</u> 7.734	<u>12.423</u> 9.056	<u>13.024</u> 10.142	<u>13.582</u> 11.088	<u>14.096</u> 11.935

Total capacity payment per month = The applicable contract length capacity payment from Table 1 times the maximum 1 hour capacity, as demonstrated by an annual capability test.

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Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

9<sup>th</sup> Revised Sheet No. 45.1

Canceling 8<sup>th</sup> Revised Sheet No. 45.1

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 4

2. Energy Payment: ~~2.494¢~~ per Kwh

ON-PEAK

OFF-PEAK

2.944¢ per Kwh

2.856¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

#### II. FACILITIES WHICH ARE NOT DISPATCHABLE AND PROVIDE ENERGY AND CAPACITY ON AN "AS AVAILABLE" BASIS

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metering charge.

1. Total capacity payment per billing period = P X Maximum 15 minute capacity  
for billing period, where P is defined below.

$$P = QCF/PCF(VTable 1)$$

where: P = capacity payment in \$/Kw - month  
QCF = Qualifying Facilities Capacity Factor  
PCF = Projected Capacity Factor of the facility to be avoided  
VTable 1 = Applicable value from Table 1  
CF = Capacity Factor which equals average 15 minute on-peak metered capacity divided by the greatest

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Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

7<sup>th</sup> Revised Sheet No. 45.2

Canceling 6<sup>th</sup> Revised Sheet No. 45.2

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 3 of 4

15 minute on-peak metered capacity during the  
billing period.

QCF/PCF cannot be greater than 1.

2. Energy Payment: ~~2.494¢~~ per Kwh

ON-PEAK

OFF-PEAK

2.944¢ per Kwh

2.856¢ per Kwh

#### Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

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5. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be five years or more.
6. Line loss considerations will be determined on a site specific basis.

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# Montana-Dakota Utilities Co.

*A Division of MDU Resources Group, Inc.*

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4

1<sup>st</sup> Revised Sheet No. 45.3

Canceling Original Sheet No. 45.3

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

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Page 4 of 4

7. For dispatchable units, generator outages must be pre-scheduled with Company to provide coordination with Company units.
8. A Peaking Unit is a unit not designed for continuous operation and is capable of supplying capacity and energy during periods of peak electric consumption. Generally, peaking units have a capacity factor of 20% or less.
9. For general terms and conditions covering QF's, see Rate 140.
10. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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Date Filed:

Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:

## North Dakota Report of Tariff Schedule Change

Case No. PU-11-\_\_\_\_\_

Name of Utility: Montana-Dakota Utilities Co.

Address Main Office: 400 North Fourth Street, Bismarck ND 58501

### NEW TARIFF DESIGNATION

	P.S.C. Tariff Volume	Sheet No.
<u>Occasional Power Purchase Rate 95</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 9th Revised Sheet No. 44</u>
<u>Occasional Power Purchase Rate 95</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 8th Revised Sheet No. 44.1</u>
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 9th Revised 45</u>
<u>Time Differentiated</u>	<u>P.S.C. Tariff Volume</u>	<u>Sheet No.</u>
<u>Reserved for Future Use</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 1st Revised Sheet No. 44.2</u>
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 10th Revised Sheet No. 45.1</u>
<u>Time Differentiated</u>	<u>P.S.C. Tariff Volume</u>	<u>Sheet No.</u>
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 8th Revised Sheet No. 45.2</u>
<u>Time Differentiated</u>	<u>P.S.C. Tariff Volume</u>	<u>Sheet No.</u>
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 2nd Revised Sheet No. 45.3</u>
<u>Time Differentiated</u>	<u>P.S.C. Tariff Volume</u>	<u>Sheet No.</u>

Change: Rates

(State part of tariff affected by change, such as: applicability, availability, rates, etc.)

Reason for Change: Reflect updated avoided energy and capacity costs

Approximate annual reduction in revenue ..... N/A

Approximate annual increase in revenue ..... N/A

Points Affected	Estimated number of customers whose cost of service will be:		
	Reduced	Increased	Unchanged
	(DEPENDENT UPON ENERGY PRODUCED)		

Montana-Dakota Utilities Co.  
Tamie A. Aberle  
Regulatory Affairs Manager

**Montana-Dakota Utilities Co.**

**North Dakota Lambda  
July 2011 through June 2012**

Month	Year	Lambda		
		On-Peak \$/MWh	Off-Peak \$/MWh	Total \$/MWh
July	2011	\$30.41	\$28.49	\$28.92
August	2011	30.33	28.21	28.73
September	2011	25.09	25.53	25.42
October	2011		25.41	25.41
November	2011		25.61	25.61
December	2011		33.75	33.75
January	2012		33.91	33.91
February	2012		35.21	35.21
March	2012		26.61	26.61
April	2012		26.87	26.87
May	2012		26.16	26.16
June	2012	31.94	26.94	28.11
Average		\$29.44	\$28.56	\$28.73

**Montana-Dakota Utilities Co.**

**Monthly Capacity Payment Levels  
Nominally Levelized \$/kW-Month  
On line Contract Year**

<u>Contract Length</u>	<u>2011-2012</u>
5	\$10.417
10	11.113
15	11.784
20	12.423
25	13.024
30	13.582
35	14.096

Montana-Dakota-Utilities Co.

Monthly Capacity Payments Calculations  
Payment in \$/kW-Month by Contract Length

Weighted Average Cost of Capital -  
(Discount Rate) - 6.730%

North Dakota:

Year	Annualized Cost of Avoided Capacity (\$/kW-Year)	Present Value of ACAC (\$/kW-Year)	Cumulative Present Value of ACAC (\$/kW-Year)	Monthly Capacity Payments		
				Contract Length (Years)	Capital Recovery Factor	Levelized Capacity Payment (\$/kW-Month)
2012	110.73	110.73	110.73	1		
2013	114.05	106.86	217.59	2		
2014	117.47	103.13	320.72	3		
2015	121.00	99.52	420.24	4		
2016	124.63	96.04	516.28	5	0.242130	10.417
2017	128.37	92.69	608.97	6		
2018	132.22	89.45	698.42	7		
2019	136.18	86.32	784.74	8		
2020	140.27	83.31	868.05	9		
2021	144.48	80.39	948.44	10	0.140606	11.113
2022	148.81	77.58	1,026.02	11		
2023	153.28	74.87	1,100.90	12		
2024	157.88	72.26	1,173.15	13		
2025	162.61	69.73	1,242.88	14		
2026	167.49	67.29	1,310.18	15	0.107930	11.784
2027	172.51	64.94	1,375.12	16		
2028	177.69	62.67	1,437.79	17		
2029	183.02	60.48	1,498.28	18		
2030	188.51	58.37	1,556.64	19		
2031	194.17	56.33	1,612.97	20	0.092421	12.423
2032	199.99	54.36	1,667.33	21		
2033	205.99	52.46	1,719.79	22		
2034	212.17	50.63	1,770.42	23		
2035	218.54	48.86	1,819.28	24		
2036	225.09	47.15	1,866.43	25	0.083734	13.024
2037	231.84	45.50	1,911.93	26		
2038	238.80	43.91	1,955.84	27		
2039	245.96	42.38	1,998.22	28		
2040	253.34	40.90	2,039.12	29		
2041	260.94	39.47	2,078.59	30	0.078412	13.582
2042	268.77	38.09	2,116.67	31		
2043	276.83	36.76	2,153.43	32		
2044	285.14	35.47	2,188.90	33		
2045	293.69	34.23	2,223.14	34		
2046	302.50	33.04	2,256.17	35	0.074971	14.096

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota**

**Rate 95 Customer History  
Twelve Months Ended May 31, 2011**

	Kwh Billed Customer 1/	Kwh Purchased under Rate 95
June 2010	3,193	146
July	3,738	70
August	3,813	36
September	3,756	92
October	3,636	59
November	5,751	52
December	8,888	26
January 2011	10,072	25
February	7,021	17
March	10,316	76
April	6,820	59
May	5,026	124
Total	<u>72,030</u>	<u>782</u>

1/ Energy billed customers under other service's applicable tariff.